

## Global Markets Research

### Daily Market Highlights

#### Key Takeaways

- **Wall Street stocks rallied overnight** lifted by retailers' shares as the holiday season began amid deals during Black Friday and Cyber Monday sales. The Dow, S&P 500 and NASDAQ respectively posted a substantial gain of 1.46% (+354.3pts), 1.55% (+40.9pts) and 2.06% (+142.9pts). Oil prices rebounded alongside equities; WTI added \$2.40 to close at \$51.63/barrel while Brent crude gained \$2.86 to \$60.48/barrel, but sentiment was dampened by **US President Trump who commented that the US will likely go ahead with plans to impose additional tariffs on China** if negotiations at the G20 Summit. Earlier European stocks rallied on **report that the Italian government might be willing to cut deficit** to end the standoff with the European Commission. Yield on 10Y treasury ended 1bp higher at 3.05%.
- **Data in the US were mixed** with higher Chicago Fed National Activity Index but lower Dallas Fed Manufacturing Survey General Business Activity Index. Japan Markit Flash Manufacturing PMI fell from October's six-month peak to 51.8 in November. Elsewhere, data **from Hong Kong trade report beat expectations**, while **Singapore industrial productions rebounded** in October driven, by pharmaceutical output. **New Zealand trade deficit narrowed** to -NZD1.3bn in October as exports recorded a substantial gain of 14.4% MOM whereas growth in imports was held steady at 5.4% MOM.
- **USD strengthened against 8 G10s** after reversing early losses while the DXY climbed through European and US sessions to close 0.16% higher at 97.07. **Continue to expect a softer USD** as buying interest is likely to fade heading into major US releases this week. We continue to suspect that DXY is forming a bearish pattern that could top soon before heading lower going forward. In the meantime, gains cannot be ruled out but will find more difficult upsides nearing 97.20 – 97.30.
- **MYR advanced 0.10% to 4.1865 against USD** after rallying in late Asian afternoon and climbed against 7. **Stay neutral on MYR against USD** with scope for mild losses as markets sentiment is likely to take a hit after President Trump's comments on tariffs. We continue to caution lingering price-momentum divergence, formation of a bearish chart pattern and rising downward momentum to be pointing to a potential reversal lower. A close below 4.1940 today will add credence to this view.
- **SGD was relatively unchanged against USD at 1.3748** but managed to beat 8 G10s as refuge demand firmed up in the FX space. **We turn slightly bearish on SGD against USD**, weighed down by extended weakness in market sentiment. USDSGD remains in a bullish bias while holding above 1.3740. We maintain that there is scope to test 1.3763 soon. Breaking above this exposes a move to 1.3779.

#### Overnight Economic Data

US	➔
Japan	⬇
Hong Kong	⬆
Singapore	⬆
New Zealand	⬆

#### What's Coming Up Next

##### Major Data

- US FHFA House Price Index MOM, S&P CoreLogic CS 20-City YOY NSA, Conf. Board Consumer Confidence
- China Industrial Profits

##### Major Events

- Nil

#### Daily Supports – Resistances (spot prices)\*

	S2	S1	Indicative	R1	R2	Outlook
EURUSD	1.1306	1.1320	1.1334	1.1347	1.1358	➔
GBPUSD	1.2777	1.2798	1.2808	1.2820	1.2857	➔
USDJPY	113.00	113.30	113.50	113.65	113.73	➔
AUDUSD	0.7203	0.7212	0.7224	0.7231	0.7243	⬇
EURGBP	0.8826	0.8836	0.8848	0.8855	0.8877	⬇
USDMYR	4.1885	4.1910	4.1925	4.1940	4.1950	➔
EURMYR	4.7461	4.7500	4.7514	4.7530	4.7580	⬇
JPYMYR	3.6850	3.6903	3.6937	3.6961	3.6987	⬇
GBPMYR	5.3600	5.3662	5.3698	5.3721	5.3750	⬇
SGDMYR	3.0461	3.0476	3.0501	3.0523	3.0555	➔
AUDMYR	3.0197	3.0232	3.0289	3.0308	3.0350	⬇
NZDMYR	2.8314	2.7350	2.8381	2.8424	2.8475	⬇
USDSGD	1.3724	1.3740	1.3747	1.3757	1.3763	➔
EURSGD	1.5557	1.5571	1.5581	1.5604	1.5613	➔
GBPSGD	1.7556	1.7594	1.7608	1.7631	1.7650	➔
AUDSGD	0.9876	0.9904	0.9930	0.9950	0.9967	⬇

\* at time of writing

➔ = above 0.1% gain; ⬇ = above 0.1% loss; ➔ = less than 0.1% gain / loss

	Last Price	DoD %	YTD %	Name	Last Price	DoD %	YTD %
KLCI	1,701.99	0.36	-5.28	CRB Index	180.30	0.39	-7.00
Dow Jones Ind.	24,640.24	1.46	-0.32	WTI oil (\$/bbl)*	51.63	2.40	-14.55
S&P 500	2,673.45	1.55	-0.01	Brent oil (\$/bbl)	60.48	2.86	-9.56
FTSE 100	7,036.00	1.20	-8.46	Gold (\$/oz)	1,222.40	-0.05	8.10
Shanghai	2,575.81	-0.14	-22.11	CPO (RM/tonne)	1,766.50	1.03	-26.09
Hang Seng	26,376.18	1.73	-11.84	Copper (\$/tonne)	6,207.00	-0.77	-14.35
STI	3,093.38	1.34	-9.10	Rubber (sen/kg)	371.00	0.00	-19.78

Source: Bloomberg

## Economic Data

	For	Actual	Last	Survey
US Chicago Fed Nat Activity Index	Oct	0.24	0.14 (revised)	0.18
US Dallas Fed Manf. Activity	Nov	17.6	29.4	24.5
JP Nikkei Japan PMI Mfg	Nov P	51.8	52.9	--
JP Leading Index CI	Sep F	104.3	104.5	--
JP Coincident Index	Sep F	114.4	115.6	--
HK Exports YOY	Oct	14.6%	4.5%	9.5%
HK Trade Balance HKD	Oct	-44.5b	-47.7b	-47.7b
SG Industrial Production YOY	Oct	4.3%	-0.1% (revised)	2.6%
NZ Trade Balance NZD	Oct	-1,295m	-1,596m (revised)	-850m
NZ Exports NZD	Oct	4.86b	4.25b (revised)	4.88b

Source: Bloomberg

## Macroeconomics

- Chicago National Activity Index pointed to slight increase in US October economic growth:** The Chicago Fed National Activity Index rose to +0.24 in October (Sep: +0.14 revised) as three of the four broad categories of indicators made positive contributions to the overall index. Contributions of production related indicators went down as industrial production growth slowed in the month whereas that of the employment-related indicators went up due to higher nonfarm payrolls. Meanwhile, contributions of the personal consumption and housing related categories ticked lower due to generally weaker housing data.
- Dallas Fed manufacturing survey indicates slower growth outlook in Texas's manufacturing sector:** The Dallas Fed's monthly survey reported that the General Business Activity Index recorded a double-digit drop to 17.6 in November (Oct: 29.4). The decline in the production as well as the new orders indexes indicated that overall manufacturing conditions softened while the lower employment index suggested only a modest expansion of firms' hiring activities. The raw materials prices index eased from last month's seven-year high while similarly wages growth also came in a tad softer. Overall expectations of future business remained positive but were less optimistic compared to the previous month.
- Japan manufacturing PMI hit two-year low as new orders fell:** The Markit Flash Japan Manufacturing PMI fell from October's six-month peak to 51.8 in November (Oct: 52.9) suggesting softer growth in the Japanese manufacturing industry. The slower upturn was attributed primarily to the decline in new orders as well as slower output, new exports orders, input and output prices. Employment meanwhile rose at a faster pace in line with the continuously tightening labour market in Japan. Sentiments remained positive but appeared to be weaker this month. In a separate release, leading index fell to 104.3 in September (Aug: 104.5) while coincident index fell to 114.4 (Aug: 115.6) suggesting slower growth in September.
- Hong Kong trade report beat expectations:** Hong Kong exports bounced up higher by 14.6% YOY in October (Sep: +4.5%) whereas imports increased 13.1% YOY (Sep: +4.8%), bringing the trade deficit to narrow to -HKD44.5b (Sep: -HKD47.7b). The better-than-expected exports number was driven by faster shipment growth to its largest trading partner China (+17.8% vs +7.0%), the US (+10.3% vs +5.6%) as well as Germany (+4.2% vs -15.5%), reaffirming view that the Chinese firms continued to ramp up purchases for higher productions prior to the end of 2018.
- Pharmaceuticals output lifted Singapore's industrial productions:** Industrial productions rebounded to increase 4.3% YOY in October (Sep: -0.1% revised) driven by the rebound in biomedical manufacturing (+11.5% vs -9.3%) as the other two key categories i.e. electronics (-2.7% vs -6.1%) and chemicals (-1.0% vs -7.1%) continued to decline albeit at a slower pace. Biomedical was supported by pharmaceuticals output whereas within electronic cluster, production of semiconductors continued to fall as the global electronic demand is maturing towards the end of its cycle.
- New Zealand trade deficit narrowed on higher exports growth:** Trade deficit in New Zealand exports narrowed to -NZD1.3bn in October (Sep: -NZD1.6bn) as exports recorded a substantial gain of 14.4% MOM (Sep: +7.0%) whereas growth in imports was held steady at 5.4% MOM (Sep: +5.4%). On a yearly basis, exports rose 6.6% YOY (Sep: +12.0%) whereas imports increased 14.1% YOY (Sep: +17.8%). China remained its top export market with shipment to the country recorded an annual gain of 24.3% YOY.

Economic Calendar						
Date	Country	Events	Reporting Period	Survey	Prior	Revised
27/11	US	FHFA House Price Index MOM	Sep	0.4%	0.3%	--
		S&P CoreLogic CS 20-City YOY NSA	Sep	5.2%	5.5%	--
		Conf. Board Consumer Confidence	Nov	135.9	137.9	--
28/11		MBA Mortgage Applications	Nov-23	--	-0.1%	--
		Advance Goods Trade Balance	Oct	-\$77.0b	-\$76.0b	-\$76.3b
		Wholesale Inventories MOM	Oct P	0.4%	0.4%	--
		Retail Inventories MOM	Oct	0.5%	0.1%	--
		GDP Annualized QOQ	3Q S	3.5%	3.5%	--
		New Home Sales MOM	Oct	4.0%	-5.5%	--
		Richmond Fed Manufacturing Index	Nov	15.0	15.0	--
27/11	China	Industrial Profits YOY	Oct	--	4.1%	--

Source: Bloomberg

## Forex

	Last Price	DoD %	High	Low	YTD %
EURUSD	1.1328	-0.08	1.1384	1.1325	-5.61
GBPUSD	1.2827	0.10	1.2864	1.2796	-5.20
USDJPY	113.58	0.55	113.65	112.88	0.76
AUDUSD	0.7221	-0.17	0.7276	0.7213	-7.54
EURGBP	0.8842	-0.07	0.8869	0.8835	-0.40
USDMYR	4.1865	-0.10	4.1965	4.1865	3.46
EURMYR	4.7620	-0.09	4.7701	4.7501	-1.78
JPYMYR	3.6995	-0.51	3.7164	3.6991	2.90
GBPMYR	5.3795	-0.14	5.3847	5.3689	-1.54
SGDMYR	3.0519	-0.02	3.0540	3.0462	0.76
AUDMYR	3.0441	0.26	3.0481	3.0308	-3.72
NZDMYR	2.8501	-0.11	2.8531	2.8374	-1.03
CHFMYR	4.2065	-0.17	4.2098	4.2003	1.38
CNYMYR	0.6042	-0.02	0.6047	0.6037	-2.83
HKDMYR	0.5358	-0.07	0.5363	0.5354	3.46
USDSGD	1.3748	-0.01	1.3758	1.3725	2.93
EURSGD	1.5573	-0.10	1.5627	1.5571	-2.92
GBPSGD	1.7630	-0.07	1.7674	1.7594	-2.52
AUDSGD	0.9928	-0.18	0.9989	0.9921	-4.89

Source: Bloomberg

### MYR

- **MYR advanced 0.10% to 4.1865 against USD** after rallying in late Asian afternoon and climbed against 7 G10s following firmer regional sentiment.
- **Stay neutral on MYR against USD** with scope for mild losses as markets sentiment is likely to take a hit after President Trump's comments on tariffs. We continue to caution lingering price-momentum divergence, formation of a bearish chart pattern and rising downward momentum to be pointing to a potential reversal lower. A close below 4.1940 today will add credence to this view.

### USD

- **USD strengthened against 8 G10s** after reversing early losses while the DXY climbed through European and US sessions to close 0.16% higher at 97.07, spurred by President Trump's comment that suggests additional tariffs on China to go ahead.
- **Continue to expect a softer USD** as buying interest is likely to fade heading into major US releases this week. We continue to suspect that DXY is forming a bearish pattern that could top soon before heading lower going forward. In the meantime, gains cannot be ruled out but will find more difficult upsides nearing 97.20 – 97.30.

### EUR

- **EUR slipped 0.08% to 1.1328 against USD**, unable to hold on to early gains as risk appetite in the FX space ebbed, but inched higher against 5 G10s.
- **We maintain a slightly bullish EUR view in anticipation of a soft USD**, further supported by easing of EU-Italian budget impasse. Even though a bearish bias currently prevails, we reckon that losses will likely be limited and could bottom out near 1.1300 before heading higher. Doing so suggests the formation of a bullish pattern that may be headed for a break circa 1.1418.

### GBP

- **GBP rose 0.1% to 1.2827 against USD** and climbed to the top of the G10 list, boosted by EU-UK accord on Brexit terms.
- **Continue to stay bullish GBP against USD**, supported by improved Brexit sentiment. However, we continue to caution that GBP is still highly sensitive to negative headlines that could quickly overturn recent gains. Downward momentum continues to recede and we maintain that there is room for GBPUSD to climb higher, possibly testing 1.2876 – 1.2898 going forward.

### JPY

- **JPY weakened 0.55% to 113.58 against USD** and slumped against all G10s as refuge demand retreated amid rebound in equities.
- **We turn bearish on JPY against USD** as rising cautiousness on US-China trade war is likely to be supportive of the greenback. Strong rally overnight has tilted USDJPY to the upside, with scope to test 113.73 – 113.80 in the next leg higher.

### AUD

- **AUD fell 0.17% to 0.7221 against USD** and fell against 8 G10s, following extended losses in commodities and worries that the US may actually impose additional tariffs on China.
- **We keep a slight bearish view on AUD against USD** on dampened sentiment ahead of G20 meeting after President Trump's comment on tariffs. Gains, if any, will likely be modest and premising on a weak USD. Bearish trend continues to prevail in AUDUSD and suggests a drop below 0.7212 soon. A break below this exposes a move to 0.7179.

### SGD

- **SGD was relatively unchanged against USD at 1.3748** but managed to beat 8 G10s as refuge demand firmed up in the FX space.
- **We turn slightly bearish on SGD against USD**, weighed down by extended weakness in market sentiment. USDSGD remains in a bullish bias while holding above 1.3740. We maintain that there is scope to test 1.3763 soon. Breaking above this exposes a move to 1.3779.

**Hong Leong Bank Berhad**

Fixed Income & Economic Research, Global Markets  
Level 8, Hong Leong Tower  
6, Jalan Damanlela  
Bukit Damansara  
50490 Kuala Lumpur  
Tel: 603-2081 1221  
Fax: 603-2081 8936  
Email: [HLMarkets@hlbb.hongleong.com.my](mailto:HLMarkets@hlbb.hongleong.com.my)

**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter. HLBB may, to the extent permitted by law, buy, sell or hold significantly long or short positions; act as investment and/or commercial bankers; be represented on the board of the issuers; and/or engage in 'market making' of securities mentioned herein. The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.